

HOUSE BILL 259

C5, M3

2lr1210

By: **Delegates Haddaway–Riccio, Donoghue, Eckardt, McDermott, Myers, and Serafini**

Introduced and read first time: January 27, 2012

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Maryland Strategic Energy Investment Fund – Municipal Electric Utility –**
3 **Exemption**

4 FOR the purpose of providing that a certain provision of law relating to the use of
5 certain proceeds received by the Maryland Strategic Energy Investment Fund
6 and credited to a certain account does not apply to residential customers of a
7 municipal electric utility; and generally relating to the Maryland Strategic
8 Energy Investment Fund and municipal electric utilities.

9 BY repealing and reenacting, without amendments,
10 Article – State Government
11 Section 9–20B–05(a), (b), (g), and (g–1)
12 Annotated Code of Maryland
13 (2009 Replacement Volume and 2011 Supplement)

14 BY repealing and reenacting, with amendments,
15 Article – State Government
16 Section 9–20B–05(g–2)
17 Annotated Code of Maryland
18 (2009 Replacement Volume and 2011 Supplement)

19 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
20 MARYLAND, That the Laws of Maryland read as follows:

21 **Article – State Government**

22 9–20B–05.

23 (a) There is a Maryland Strategic Energy Investment Fund.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (b) The purpose of the Fund is to implement the Strategic Energy
2 Investment Program.

3 (g) Except as provided in subsection (g-1) of this section, proceeds received
4 by the Fund from the sale of allowances under § 2-1002(g) of the Environment Article
5 shall be allocated to the following accounts:

6 (1) 17% shall be credited to an energy assistance account to be used
7 for the Electric Universal Service Program and other electricity assistance programs
8 in the Department of Human Resources;

9 (2) except as provided in subsection (g-2) of this section, 23% shall be
10 credited to a rate relief account to provide rate relief by offsetting electricity rates of
11 residential customers, including an offset of surcharges imposed on ratepayers under §
12 7-211 of the Public Utilities Article, on a per customer basis and in a manner
13 prescribed by the Public Service Commission;

14 (3) at least 46% shall be credited to a low and moderate income
15 efficiency and conservation programs account and to a general efficiency and
16 conservation programs account for energy efficiency and conservation programs,
17 projects, or activities and demand response programs, of which at least one-half shall
18 be targeted to the low and moderate income efficiency and conservation programs
19 account for:

20 (i) the low-income residential sector at no cost to the
21 participants of the programs, projects, or activities; and

22 (ii) the moderate-income residential sector;

23 (4) up to 10.5% shall be credited to a renewable and clean energy
24 programs account for:

25 (i) subject to subsection (i) of this section, renewable and clean
26 energy programs and initiatives;

27 (ii) energy-related public education and outreach; and

28 (iii) climate change programs; and

29 (5) up to 3.5%, but not more than \$4,000,000, shall be credited to an
30 administrative expense account for costs related to the administration of the Fund,
31 including the review of electric company plans for achieving electricity savings and
32 demand reductions that the electric companies are required under law to submit to the
33 Administration.

(g-1) The proceeds described in subsection (g) of this section from the allowances sold between March 1, 2009, and June 30, 2012, shall be allocated as follows:

(1) up to 50% shall be credited to an energy assistance account to be used as described in subsection (g)(1) of this section;

(2) 23% shall be credited to a rate relief account to be allocated as provided in subsection (g)(2) of this section;

(3) at least 17.5% shall be credited to a low and moderate income efficiency and conservation programs account and to a general efficiency and conservation programs account to be allocated as provided in subsection (g)(3) of this section;

(4) at least 6.5% shall be credited to a renewable and clean energy programs account to be allocated as provided in subsection (g)(4) of this section; and

(5) up to 3.0%, but not more than \$4,000,000, shall be credited to an administrative expense account to be allocated as provided in subsection (g)(5) of this section.

(g-2) Subsection (g)(2) of this section does not apply to residential customers of:

(1) a small rural electric cooperative, as defined in § 1-101 of the Public Utilities Article; AND

(2) A MUNICIPAL ELECTRIC UTILITY, AS DEFINED IN § 1-101 OF THE PUBLIC UTILITIES ARTICLE.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2012.